

Parts Manager Conversation

Collaborate with your Parts Manager to answer the following questions. Use this opportunity to share new ideas from the class and to coach your Parts Manager on how they can be implemented. Be sure to respect their expertise. Provide your answers in a different color font.

1. What formal parts management training does your parts manager have (for example, the NADA Academy Seminar)? *HONDA INVENTORY CONTROL MANAGEMENT
HONDA UNDERSTANDING THE FINANCIAL STATEMENT*
2. Does your Dealership/Parts department have a Vision statement that all departmental employees know and understand? What is it? *YES. THROUGH THE PASSION AND COMMITMENT OF OUR TEAM, WE CREATE THE ULTIMATE DEALERSHIP EXPERIENCE*
3. Have you ever tracked your First Time Fill Rate (FTFR) manually (not using the DMS or your OEM)? What is your current Repair Order FTFR? *NO. I'VE USED DMS TO FIGURE FILL RATE. FILL RATE FOR AUGUST 85%*
4. What percentage of your business comes from Inside (RO/Internal/Warranty/Body Shop) vs Outside (Counter Retail & Wholesale)? *79.8%*
5. What policies, controls, and security are in place on your DMS (via Privileges and/or the Exception or Deviation Reports) to prevent counter people from changing the pricing structure during daily transactions? *THERE ARE NONE. ALL OIL CHANGES, ACCESSORY ALL SEASON PILGS. AND ALL NON HONDA PARTS REQUIRE OVER RIDES*
6. Who can change/override parts pricing? Cashier? Service Director/Manager? Service Advisors? *PARTS MANAGER AND PART COUNTER PEOPLE*
7. Are you at Retail pricing for Internal? Who established your Internal parts pricing policies? Are they current? *YES. PARTS MANAGER, SERVICE DIRECTOR, GENERAL MANAGER*
8. If you are in a Retail Reimbursement for Warranty state, are you at retail for warranty? If not, when was the last time you petitioned the OE for retail reimbursement? *YES. WE ARE AT RETAIL*
9. Do the Parts, Service and Body Shop Managers work with the Office Manager/Controller monthly to follow up on all Work in Process (WIP) documents. Do they verify that all parts invoices and repair orders are closed out in a timely manner? What does this look like? *YES. WIP IS LOOKED AT DAILY, IT GOES WITH NIGHTLY JOB STACK*
10. Is the financial statement for the Parts department given to the manager and discussed on a weekly/monthly basis? If not, is a daily operating report of sales, gross profit, etc., provided to the Parts Manager for review (DOC)? *FINANCIAL STATEMENT NO. A DOC IS AS WELL AS EXECUTIVE EYE APP.*
11. What is your retail pricing strategy for your Parts department? How often do you check to see whether your pricing goals are being achieved?
HAVE MULTIPLE SOURCES WITH DIFFERENT MATRIXX. PARTS ARE DEFINED AS EITHER COMPETITIVE OR CAPTURED. COMPETITIVE PARTS ARE PRICED CONSERVATIVELY AND CAPTURED PRICED HIGHER. LOW DOLLARS ITEMS HAVE MORE AGGRESSIVE MATRIXX.

12. How often do you audit your dealership's Parts web page? How often are coupons, hours of business, etc., reviewed and updated? *ON THESE ABOUT EVERY OTHER MONTH
NEED TO BE BETTER ABOUT CHECKING THIS*
13. Do you have a Parts online eStore? How do you ensure that parts order forms/queries are responded to in a timely manner? Who gets the email leads/questions? *YES. EMAILS SENT TO BOTH HONDA PARTS AND PARTS MANAGER*
14. What sales training is available to Parts personnel? If training is available, is it mandatory? *EMAILS*
How often are sales skills assessed, tested, and refreshed? *FACTORY TRAINING MODULES ARE MANDATORY, NO SKILL ASSESSMENTS*
15. Do you have a process to offer accessories to 100% of your New and Used customers? If so, *OR TEST*
what does it look like? If not, why not? *YES. MOST LIKELY INCONSISTANT IN USED SALES. REQUIRES HELP FROM MAIN OFFICE. TIME MANAGEMENT ISSUES*
16. What would help you sell more accessories? *PRE ACCESSORIZATION. BEST WAY TO DISPLAY ON THE CAR. NEW SALES HAS BE GREAT AT THIS LATELY*
17. Do you review your wholesale customers to see if their sales, gross, and returns justify the expense of conducting business with them? How often are they reviewed? *YES, QUARTERLY*
CHECK SALES, GROSS, AND RETURNS. HAVEN'T CHECKED AGAINST EXPEN
18. Do you know how much each of your Parts salespeople must sell each day just to breakeven? *NO. NOT FAMILIAR WITH THIS FORMULA*
19. What procedures do you have in place to ensure inventory accuracy and integrity? How are variances communicated to the accounting office? *PERPETUAL BIN / CYCLE COUNTS. PARTS INVENTORY RECONCILIATION PERFORMED MONTHLY*
20. Are lost sales being tracked in your DMS? Do you have a common definition that all counter people understand? What is your definition? *YES, A TRUE LOST SALE IS AN INQUIRY ON A PART THAT DOES NOT GENERATE AN ORDER DUE TO AVAILABILITY*
21. What is the biggest obstacle to getting your Special Order parts off the SOP shelves and installed/picked up? *TIRES ARE THE MAIN OBSTACLE. SOP TIME CUSTOMER DON'T ALWAYS COME BACK.*
22. In your store, what do you feel is the biggest cause of frozen capital and/or obsolescence? What is the current dollar value of your obsolescence? *CURRENT OBSOLESCENCE IS \$ 2,449. RETURNS AND PARTS NOT NEEDED FOR REPAIR*
23. What is your phase in/phase out strategy? How do you balance this strategy with factory recommended stocking guidelines (RIM, ARO, Parts Eye, etc.)? *3 TEST SOURCES FOR PHASE IN 3 MONTHS IN 9, 2 MONTHS IN 9, 4 MONTHS IN 9. PHASE OUT IN 6 MONTH*
24. On a scale of 1-10 (10 = expert level) what is your level of understanding of the information that is on your DMS's monthly summary? *8*
25. What is the one thing that your organization can do or provide to help the Parts Manager do their job more effectively?